

News from the FPPC



California Fair Political Practices Commission
428 J Street, Suite 620, Sacramento, CA 95814
www.fppc.ca.gov

For Immediate Release: December 11, 2008 Contact: Roman Porter at (916) 322-7761

FPPC Enforcement Decisions: December 11, 2008

The following are enforcement decisions approved by the Fair Political Practices Commission at its regular monthly meeting held in Sacramento on Thursday, December 11, 2008. Decisions are listed by category and include a brief summary of each case and the total amount of any administrative fine or fines in each case.

Additional information on each of the enforcement cases below can be found in the December agenda on the FPPC website at www.fppc.ca.gov. FPPC agendas are distributed and posted on the agency website 10 days prior to each monthly meeting.

The web version of the agenda includes links to the stipulations agreed to by the commission and by the individuals and organizations subject to the fines, or the default decisions proposed to the commission. Exhibits in support of the stipulations and proposed default decisions are also available on the website. If you are unable to access the FPPC website, or need further assistance, please call the FPPC communications office at (916) 322-7761.

Campaign Money Laundering Violation

California law requires those giving or receiving monetary contributions of \$100 or more to affect the outcome of political contests to provide certain information identifying the contributor, their employer and the amount of the contribution. Providing the public with the sources of contributions is a fundamental component of the philosophy of the Political Reform Act.

The following concealed the true source of campaign contributions:

Mark Christopher Chevrolet, Inc., Mountain View Chevrolet, Inc., Mark Leggio, and Diamond Hills Auto Group, Inc., located in San Bernardino County, were the true source of twenty-three campaign contributions, totaling \$66,400, made to candidates for state and local elective office, and a state recipient committee, between January 2002 and June 2006. The contributions were made in the names of Respondents' employees, business associates and/or their family members. During the same time period, Respondents made contributions in excess of the Political Reform Act's campaign contribution limits, and failed to properly report all contributions on their major donor campaign statements. **\$150,000 fine.**

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Conflict of Interest Violation

California law states that, absent an exception, public officials may not make or participate in making a governmental decision if it is sufficiently likely that the outcome of the decision will have a material financial effect on one or more of his or her economic interests.

The following participated in a governmental decision that had a material financial effect on an economic interest:

Lawrence Franzella, the mayor of the City of San Bruno, is also a licensed realtor, with ownership interest in Trotter-Vogel Realty, Inc. On August 13, 2002, Respondent Franzella, as mayor of the City of San Bruno, made a governmental decision, which had a material financial effect on his real property. Additionally, Respondent Franzella failed to disclose a source of income of \$500 or more from the sale of property on his 2003 annual statement of economic interests, and failed to disclose income from clients to his business in which his pro rata share was \$10,000 or more on his 2005 and 2006 annual statements of economic interests. **\$9,000 fine.**

Lobbyist Reporting Violation

California law requires individuals and entities that attempt to influence the actions of certain state-level elected officials and public officials to register as lobbyists once certain criteria is met. Once registered, lobbyists and lobbying firms are required to provide reports to provide the public with information regarding who they are attempting to influence; what decision(s) they are attempting to influence; and who is employing them and how much they are receiving to influence.

The following failed to file the required forms and made an unlawful campaign contribution:

PS Eco, Inc. dba PS Enterprises and Joseph "Rick" Ruiz. Respondent PS Eco, Inc., dba PS Enterprises, was a registered lobbying firm located in Los Angeles County. Respondent Joseph "Rick" Ruiz was a registered lobbyist of PS Eco, Inc., dba PS Enterprises. Respondent PS Eco, Inc., dba PS Enterprises, failed to timely file two paper and electronic Reports of a Lobbying Firm (Form 625). Respondent Joseph "Rick" Ruiz failed to timely file paper and electronic Lobbyist Reports (Form 615), and made a contribution to a candidate for California State Assembly while registered to lobby the California State Legislature. **\$9,000 fine.**

Gift Violation

California law imposes annual gift limits and requires that gifts received from reportable sources must be disclosed on a Statement of Economic Interests.

The following accepted gifts that exceeded the annual gift limits:

Ignacio De La Fuente, a member of the Oakland City Council, accepted gifts in the form of parking privileges at the San Francisco International Airport during 2004 and 2005, which exceeded the annual gift limits. **\$1,500 fine.**

Late Contribution Violations

When contributions of \$1,000 or more are made or received during the final days before an election—the time between the last campaign report required to be filed and the end of the election—late contribution reports must be filed within 24 hours of making or receiving the "late" contribution.

The following committees failed to file late contribution reports as required by the Political Reform Act:

League of California Cities (Non-Public Funds). On October 31, 2006, Respondent League of California Cities (Non-Public Funds), a major donor committee, failed to timely disclose an \$850,000 late contribution in a late contribution report. **\$5,000 fine.**

Susan D. Casden, of Beverly Hills, failed to timely disclose a late contribution totaling \$11,200. **\$1,680 fine.**

Statements of Economic Interests Reporting Violations

California law requires elected officials, certain board members and governmental employees, and consultants employed by governmental entities to complete and file Statements of Economic Interests (SEIs or Form 700s). SEIs serve a dual purpose: they make a filer aware of personal economic interests relative to a governmental decision, and they are an important disclosure document for the public and media.

The following individuals failed to file their Statement of Economic Interests forms on time:

Susan Nissman, Designee with the Santa Monica Bay Restoration Commission, failed to timely file a 2006 annual statement of economic interests. **\$200 fine.**

Daniel Bernhard, a board member with the Ross School District, failed to timely file a 2007 annual statement of economic interests. **\$200 fine.**

Scott Blakeslee, a member of the Folsom Library Commission, failed to timely file a 2007 annual statement of economic interests. **\$200 fine.**

Frank Destra, Parks, Recreation, and Cultural Arts Commissioner for the City of Los Alamitos, failed to timely file a 2007 annual statement of economic interests. **\$400 fine.**

Major Donor Violations

A major donor is a person or entity who makes contributions totaling \$10,000 or more in a calendar year and is required to file campaign reports detailing how much was contributed and to whom.

The following failed to file major donor reports as required by law:

TraPac, Inc. qualified as a major donor committee in the second half of 2006, but failed to timely file a major donor statement, Form 461, on January 31, 2007. **\$400 fine.**

MTC Holdings and aggregated contributions. MTC Holdings qualified as a major donor committee in the second half of 2006, but failed to timely file a major donor statement, Form 461, on January 31, 2007. **\$400 fine.**

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